

BAFS – Books of original entry (DSE Sample paper - 2021)

1. 2016.P2A.Q2

ABC Company keeps the following four ledgers only: cash book, general ledger, purchases ledger and sales ledger. Indicate the accounts to be debited and credited, and the ledgers to be recorded for transactions (a) to (e) in the table below. Write your answers for items (1) to (20) in the answer book.

Transaction		Debit entry to be recorded		Credit entry to be recorded	
		Account	Ledger	Account	Ledger
<i>e. g.</i>	<i>Equipment purchased in cash</i>	<i>Equipment</i>	<i>General ledger</i>	<i>Cash</i>	<i>Cash book</i>
(a)	Office rent paid by cheque	(1)	(2)	(3)	(4)
(b)	Goods purchased on credit	(5)	(6)	(7)	(8)
(c)	Bank loan acquired	(9)	(10)	(11)	(12)
(d)	Goods returned by credit customers	(13)	(14)	(15)	(16)
(e)	Interest income accrued	(17)	(18)	(19)	(20)

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2. 2018.P2A.Q1

The financial year for Mary's business ends on 31 December. The business keeps the following books of original entry: General Journal, Sales Journal, Purchases Journal, Returns Inwards Journal, Returns Outwards Journal and Cash Book.

During December 2017, the following transactions took place:

- (i) Paid rent of \$18 400 by autopay.
- (ii) Bought goods from Amy Company on credit for \$4 200.
- (iii) Returned goods of \$300 to Amy Company.
- (iv) Goods amounting \$560 were taken away by Mary for her personal use.
- (v) Sold goods to Carmen Company on credit for \$1 580.
- (vi) Issued and sent a credit note for goods returned of \$500.
- (vii) Received an electricity bill of \$5 600 for December 2017, which would be settled by cheque in January 2018.
- (viii) Cash sale of \$1 500 to Dick Company.
- (ix) Issued and sent a debit note for goods returned of \$600.
- (x) Bought a motor van on credit for \$17 000.

REQUIRED:

- (a) Indicate which of Mary's books of original entry should be used to record transactions (i) to (x) above in December 2017. (5 marks)
- (b) With reference to transaction (iii) above, state the accounts and the corresponding ledgers to be posted from the book of original entry. (2 marks)
- (c) Give one function of keeping books of original entry. (1 mark)

(Total: 8 marks)

Victor’s firm is a sole proprietorship trading toys which keeps the following six day books: Cash Book, Sales Journal, Purchases Journal, Returns Inwards Journal, Returns Outwards Journal and General Journal. For the following transactions, indicate the books of original entry to be recorded, and the accounts to be debited and credited. Write your answers for items (1) to (12) in the answer book.

Transaction		Book of original entry	Accounts to be debited	Accounts to be credited
e.g.	Sold toys on credit	Sales Journal	Trade receivables	Sales
(i)	Purchases toys in cash	(1)	(2)	Cash
(ii)	Returned office equipment to a credit supplier	(3)	Accounts payables	(4)
(iii)	Received a bill, to be settled in next financial year, for stationery purchased	(5)	(6)	(7)
(iv)	Issued a debit note for toys returned	(8)	(9)	(10)
(v)	Paid rent for owner’s personal apartment by cheque	(11)	(12)	Bank

(Total: 6 marks)

The account balances of Jacky Company as at 1 March 2021 are as follows:

	\$	
Bank	800	Cr
Cash	18 500	
Trade receivables - Mandy	5 600	
Trade payables - Vincy	4 880	

The transactions of Jacky Company during March 2021 are as follows:

March

- 2 Mandy settled the balance on 1 March by cheque with a cash discount of 5%.
- 3 Paid \$2 400 cash to Vincy to settle half of the outstanding amount on 1 March.
- 6 Purchased goods of \$32 each from Paul by cheque for \$14 400.
- 8 Purchased 2 000 units of goods from Perry on credit. The unit list price and trade discounts were \$36 and 5% respectively.
- 10 A customer, Suki, purchased 220 units of goods at \$55 each by cheque.
- 15 A customer, Susan, purchased 1 800 units of goods on credit at \$54 each. She would receive a cash discount of 4% for settlement within 15 days.
- 20 Susan returned 300 units of goods purchased on 15 March.
- 24 Susan settled the outstanding amount by cheque.
- 25 Paid \$12 300 operating expenses for March in cash.
- 31 Paid carriage inwards of \$2 700 for March by cheque.

REQUIRED:

- (a) Prepare a three-column cash book for the month ended 31 March 2021.

(6 marks)

2022

1.

- (A) Beta Company is a garment trading company. It keeps the following books of original entry: Sales Journal, Purchases Journal, Returns Inwards Journal, Returns Outwards Journal, Cash Book and General Journal.

REQUIRED:

- (a) State the book of original entry that Beta Company should use to record each of the following transactions:
- (i) Sold garments for \$3 000 on credit.
 - (ii) Purchased a pair of scissors, which could be used for several years, for \$20 on credit.
 - (iii) Took out a long-term bank loan of \$600 000.
 - (iv) Received garments of \$5 000 returned from a credit customer who complained that the quality of the garments was below standard.
- (2 marks)
- (b) With reference to the most relevant accounting principle or concept, explain why Beta Company does not provide depreciation for the pair of scissors mentioned in (a)(ii) above. (3 marks)

BAFS – Books of original entry (Answer)

1. 2016.P2A.Q2

Transactions		Debit entry to be recorded		Credit entry to be recorded	
		Account	Ledger	Account	Ledger
(a)	Office rent paid by cheque	(1) Rental expense	(2) General ledger	(3) Bank	(4) Cash book
(b)	Goods purchased on credit	(5) Purchases	(6) General ledger	(7) Trade payables	(8) Purchases ledger
(c)	Bank loan acquired	(9) Bank	(10) Cash book	(11) Bank loan	(12) General ledger
(d)	Goods returned by credit customers	(13) Returns inwards	(14) General ledger	(15) Trade receivables	(16) Sales ledger
(e)	Interest income accrued	(17) Interest receivable	(18) General ledger	(19) Interest income	(20) General ledger

(0.5 mark for any two correct answers, max 5 marks)

5 marks

2. 2018.P2A.Q1

- (a)
- (i) Cash book
 - (ii) Purchases journal
 - (iii) Returns Outwards Journal
 - (iv) General Journal
 - (v) Sales Journal
 - (vi) Returns Inwards Journal
 - (vii) General Journal
 - (viii) Cash book
 - (ix) Returns Outwards Journal
 - (x) General Journal
- (0.5 mark for each answer, max. 5 marks)

5

- (b)
- Amy Company account (0.5) in Purchases Ledger (0.5)
 - Returns outwards account (0.5) in General Ledger (0.5)

1

1

- (c)
- segregation of duties which could reduce frauds
 - classification of the transaction so as to facilitate the postings to the ledger accounts
- (1 mark for each relevant function, max. 1 mark)

1

8 marks

BAFS – Books of original entry (Answer)

Supplementary marking notes for 2018Q1(a)

- Alternative answer 1:

General Journal	(iv), (vii), (x)
Sales Journal	(v)
Purchases Journal	(ii)
Returns Inwards Journal	(vi)
Returns Outwards Journal	(iii), (ix)
Cash book	(i), (iii)

(0.5 mark for each answer, max. 5 marks)

- Only the names of the book of original entries given in the question are accepted.

Correct answer 正确答案	Not acceptable 不接受
General Journal	The Journal
Sales Journal	Sales day book
Purchases Journal	Purchases day book
Returns Inwards Journal	Returns inwards / Sales returns day book
Returns Outwards Journal	Returns outwards / Purchases return day book

Supplementary marking notes for Q1(b)

Acceptable 接受	Not acceptable 不接受
Trade payable / Account payable – Amy Company in (Trade payables ledger / Account payables ledger ✓)	Trade receivables / Other payable
Purchases return account (0.5)	

BAFS – Books of original entry (Answer)
 3. 2020.P2A.Q1

Transaction		Book of original entry	Accounts to be debited	Accounts to be credited	
e.g.	Sold toys on credit	Sales Journal	Trade receivables	Sales	
(i)	Purchases toys in cash	(1) Cash book	(2) Purchases	Cash	1
(ii)	Returned office equipment to a credit supplier	(3) General journal	Accounts payables	(4) Office equipment	1
(iii)	Received a bill, to be settled in next financial year, for stationery purchased	(5) General journal	(6) Stationery expenses	(7) Accrued stationery expenses	1.5
(iv)	Issued a debit note for toys returned	(8) Returns outwards journal	(9) Trade payables	(10) Returns outwards	1.5
(v)	Paid rent for owner's personal apartment by cheque	(11) Cash book	(12) Drawings	Bank	1

(0.5 marks for each item)
6 marks